

PRESS RELEASE

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For Immediate Release

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NH Insurance Commissioner Roger Sevigny Warns That Few Purchased Flood Insurance Policies Despite 2006 Floods

March 16, 2007--NH Insurance Commissioner Roger Sevigny expressed concern that with spring rains and snow run off imminent, few additional NH residents have purchased National Flood Insurance, when compared to policies sold prior to last year's floods. When the floods hit in the spring of 2006 more than 5200 homes in six counties were affected by flooding. Twenty-five homes were destroyed, 235 homes suffered serious damage, and 4,896 homes had less serious damage. The flooding in May 2006 was the state's most expensive natural disaster in more than 50 years. Damage to public infrastructure alone as a result of the May 2006 flooding totaled near \$15 million.

"Despite wide spread flooding and losses in the millions of dollars due to last May's floods, remarkably few people purchased flood insurance in preparation for this year's spring rains and run off," said Sevigny. Sevigny cited FEMA (Federal Emergency Management Agency) statistics that show a mere 12.3% increase in flood insurance purchases, totaling 838 policies, as of December 31, 2006, when compared to March 2006 outstanding policies, just 2 months before the flooding. FEMA states that the growth rate nationwide for flood insurance policies sold is 9.07% in the last year. FEMA administers the National Flood Insurance Program (NFIP). "Although sales of new flood insurance policies in New Hampshire exceeded the national average last year, we're still a long way from ensuring that most NH properties at risk are insured against flooding," said the Commissioner

Commissioner Sevigny said "I am concerned to see so few additional policies sold in NH since last May. I'm sure we all saw the flood devastation around the state on TV last spring. It's hard to believe that that didn't motivate more people into purchasing a National Flood Insurance policy. Those people impacted by the flooding last spring who did not have flood insurance policies did not have coverage for repairs, and some lost their homes. No one compensated them for that loss. Many people mistakenly believe that the federal or state government will pay them for their losses even if they don't

purchase flood insurance. That's just not true. If you suffer flood damage and you have no flood insurance, the best you can hope for is a low interest loan from the federal government or some minimal assistance."

Sevigny urges NH residents to consider purchasing a flood insurance policy, and reminds NH residents of the following flood insurance facts:

- Homeowner insurance does not cover flood losses
- Anyone can purchase flood insurance, regardless of where the property is located, as long as your hometown is a National Flood Insurance Program community.
- Your home does not need to be within a specific flood zone to qualify for National Flood Insurance.
- Most homeowners, businesses and renters can purchase flood insurance.
- You can purchase federal flood insurance through your local insurance agent
- You can purchase federal flood insurance even if your mortgage lender doesn't require it
- You can purchase flood insurance even if your property has been flooded before

Commissioner Sevigny reminds the public that "Only 50% of those in high risk areas nationwide are insured against flooding. We would like to see more NH residents protected against flooding. This is a federal government program designed to protect you against catastrophic loss, and you can't count on federal aid to make you whole without a flood insurance policy. Most federal aid, if granted, comes in the form of low interest loans, and does not compensate you for your loss the way an insurance policy does." He went on to say "I have recently enacted regulations that require insurance agents to participate in additional training about flood insurance to ensure they know how the National Flood Insurance Program works so they can help their customers take advantage of this low cost federal insurance."

Since 1968 the National Flood Insurance Program has offered flood insurance to homeowners, renters and business owners, provided their communities use the NFIP's strategies for reducing flood risk. Community participation in the NFIP is voluntary. NFIP flood insurance is the best protection against the devastating financial losses that floods cause. For information on community participation in NFIP go to www.FloodSmart.gov, contact your town offices or contact your insurance agent.

Consumers looking for additional information on flood insurance or any other insurance product are urged to visit www.FloodSmart.gov, or the NH Insurance Department's web site at www.nh.gov/insurance, or to call the Department's toll free Consumer Hotline at 1-800-852-3416.

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ABOUT THE NH INSURANCE DEPARTMENT

The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire's insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information and referral services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire's insurance premium tax. For more information, visit the Insurance Department's web site at: www.nh.gov/insurance.